

ADVANCED CELL TECHNOLOGY, INC. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
AS OF JUNE 30, 2011 AND DECEMBER 31, 2010

	June 30, 2011 (unaudited)	December 31, 2010
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 16,114,324	\$ 15,889,409
Deferred royalty fees, current portion	77,017	91,598
Prepaid expenses	344,497	-
Total current assets	<u>16,535,838</u>	<u>15,981,007</u>
Property and equipment, net	183,538	185,102
Deferred royalty fees, less current portion	263,870	295,089
Deposits	14,766	14,766
Deferred issuance costs	<u>1,782,648</u>	<u>2,578,188</u>
TOTAL ASSETS	<u><u>\$ 18,780,660</u></u>	<u><u>\$ 19,054,152</u></u>
<u>LIABILITIES AND STOCKHOLDERS' DEFICIT</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 1,925,861	\$ 1,982,743
Accrued expenses	1,610,230	4,971,304
Accrued settlement	-	3,205,856
Deferred revenue, current portion	310,412	506,418
2009 Convertible promissory notes, current portion, net of discounts of \$0 and \$19,229, respectively	-	132,680
Embedded conversion option liabilities, current portion	-	537,249
Deferred joint venture obligations, current portion	<u>1,853</u>	<u>6,870</u>
Total current liabilities	<u>3,848,356</u>	<u>11,343,120</u>
Convertible promissory notes, less current portion, net of discounts of \$222,095 and \$285,005, respectively	65,690	2,780
Embedded conversion option liabilities, less current portion	598,229	482,686
Warrant and option derivative liabilities	16,931,286	27,307,218
Deferred revenue, less current portion	<u>2,187,627</u>	<u>2,298,997</u>
Total liabilities	<u>23,631,188</u>	<u>41,434,801</u>
Series A-1 redeemable preferred stock, \$0.001 par value; 50,000,000 shares authorized, 113 and 113 shares issued and outstanding; aggregate liquidation value, net of discounts: \$1,408,958 and \$1,349,657, respectively	1,348,642	1,272,441
Commitments and contingencies		
STOCKHOLDERS' DEFICIT:		
Preferred stock, Series B; \$0.001 par value; 50,000,000 shares authorized, 1,000 shares issued and outstanding	1	1
Preferred stock, Series C; \$0.001 par value; 50,000,000 shares authorized, 800 and 400 shares issued and outstanding at June 30, 2011 and December 31, 2010, respectively	1	-
Common stock, \$0.001 par value; 1,750,000,000 shares authorized, 1,588,670,748 and 1,439,826,362 shares issued and outstanding at June 30, 2011 and December 31, 2010, respectively	1,588,671	1,439,826
Additional paid-in capital	200,370,360	166,033,976
Promissory notes receivable and accrued interest, net of discount of \$4,282,786 and \$3,322,630, respectively	(18,978,857)	(10,177,370)
Accumulated deficit	<u>(189,179,346)</u>	<u>(180,949,523)</u>

EXHIBIT L

Total stockholders' deficit	<u>(6,199,170)</u>	<u>(23,653,090)</u>
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	<u>\$ 18,780,660</u>	<u>\$ 19,054,152</u>

The accompanying notes are an integral part of these consolidated financial statements.

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ADVANCED CELL TECHNOLOGY, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2011 AND 2010
(UNAUDITED)

	<u>Three Months Ended June 30,</u> <u>2011</u>	<u>2010</u>	<u>Six Months Ended June 30,</u> <u>2011</u>	<u>2010</u>
Revenue (License fees and royalties)	\$ 153,688	\$ 205,158	\$ 307,376	\$ 410,316
Cost of Revenue	<u>281,500</u>	<u>66,650</u>	<u>304,400</u>	<u>133,300</u>
Gross profit (loss)	(127,812)	138,508	2,976	277,016
Operating expenses:				
Research and development	1,532,271	1,484,141	3,007,044	5,379,722
General and administrative expenses	1,951,728	1,349,219	5,149,254	12,567,462
Change in estimate of accrued liabilities	-	(1,569,966)	-	(1,569,966)
Loss on settlement of litigation	-	-	294,144	-
Total operating expenses	<u>3,483,999</u>	<u>1,263,394</u>	<u>8,450,442</u>	<u>16,377,218</u>
Loss from operations	<u>(3,611,811)</u>	<u>(1,124,886)</u>	<u>(8,447,466)</u>	<u>(16,100,202)</u>
Non-operating income (expense):				
Interest income	10,765	7,936	22,549	10,979
Interest expense and late fees	(272,171)	(2,429,519)	(953,881)	(5,782,293)
Gain on forgiveness of debt	-	27,973	-	27,973
Finance cost	(245,734)	(493,110)	(2,871,609)	(1,602,400)
Adjustments to fair value of derivatives	<u>(701,198)</u>	<u>6,942,005</u>	<u>4,088,221</u>	<u>8,526,709</u>
Total non-operating income (expense)	(1,208,338)	4,055,285	285,280	1,180,968
Loss before income tax	(4,820,149)	2,930,399	(8,162,186)	(14,919,234)
Income tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net loss	<u>\$ (4,820,149)</u>	<u>\$ 2,930,399</u>	<u>\$ (8,162,186)</u>	<u>\$ (14,919,234)</u>
Weighted average shares outstanding :				
Basic and diluted	<u>1,543,519,167</u>	<u>882,666,998</u>	<u>1,510,945,682</u>	<u>708,524,844</u>
Loss per share:				
Basic and diluted	<u>\$ (0.00)</u>	<u>\$ 0.00</u>	<u>\$ (0.01)</u>	<u>\$ (0.02)</u>

The accompanying notes are an integral part of these consolidated financial statements.

